

## VU Research Portal

### Street-level bureaucrats and the welfare state: Toward a micro-institutionalist theory of policy implementation

Rice, D.A.

***published in***

Administration and Society

2013

***DOI (link to publisher)***

[10.1177/0095399712451895](https://doi.org/10.1177/0095399712451895)

***document version***

Peer reviewed version

[Link to publication in VU Research Portal](#)

***citation for published version (APA)***

Rice, D. A. (2013). Street-level bureaucrats and the welfare state: Toward a micro-institutionalist theory of policy implementation. *Administration and Society*, 45(9), 1038-1062. <https://doi.org/10.1177/0095399712451895>

**General rights**

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal ?

**Take down policy**

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

**E-mail address:**

[vuresearchportal.ub@vu.nl](mailto:vuresearchportal.ub@vu.nl)

This is a postprint of

---

**Street-level bureaucrats and the welfare state: Toward a micro-institutionalist theory of policy implementation**

Rice, D.A.

Administration and Society, 45(9), 1038-1062

---

Published version: no link available

Link VU-DARE: <http://hdl.handle.net/1871/41054>

**(Article begins on next page)**

Street-Level Bureaucrats and the Welfare State:  
Toward a Micro-Institutionalist Theory of Policy Implementation

Deborah Rice  
VU University Amsterdam

Forthcoming in: *Administration & Society*

Published online: 5 July 2012

### **Abstract**

In the era of ‘activation’ which is characterized by the decentralization and individualization of social services, welfare caseworkers play an increasingly important role in shaping the policy outcomes of the welfare state. In this paper, it is argued that in order to theoretically accommodate the complex institutional and systemic environments in which today’s caseworkers operate, the street-level bureaucracy approach introduced by Lipsky should be married with institutionalist theory, thereby laying the groundwork for a micro-institutionalist theory of policy implementation.

### **Introduction: Street-Level Work in a Changing Context**

In 1978, Michael Lipsky laid the groundwork for the street-level policy approach. The core argument introduced by Lipsky was that street-level bureaucrats such as caseworkers in local social service organizations should be acknowledged and conceptualized as the last link in the policy-making chain, because it is only in the interaction between caseworkers and clients that formal social policy comes to life. Two years later, in his seminal *Street-Level Bureaucracy* (1980), Lipsky set out to develop the theoretical implications of his initial proposition further, drawing primarily on the analytical toolkit of rational-choice institutionalism. According to Lipsky's model, the behavior of street-level bureaucrats is mainly influenced by two factors: firstly, the organizational context that sets the goals, rules, budgetary and time resources for bureaucratic action; and secondly, the intrinsic cognitive-emotional utility functions of individual street-level bureaucrats which, in interplay with the organizational context, will determine whether street-level bureaucrats rigorously apply, creatively adapt, or undermine formal policy goals in their interaction with particular clients or client groups.

Thirty-two years after the publication of Lipsky's book, it seems that policy-makers have taken Lipsky's message to heart. In fact, the realization that street-level bureaucrats actively make policy has been one of the drivers behind decentralization processes in many welfare states, grounded in the logic that if local managers and caseworkers are given partial responsibility for the policy outcomes they produce, they are more likely to support rather than sidestep national policy goals (Van Berkel & Borghi, 2008). Especially in a European context, decentralization has furthermore implied changes to the role of caseworkers in public social service organizations, with caseworkers now assuming a variety of tasks such as

participating in the formulation of their organization's policy goals, developing new instruments for client treatment, building policy networks with public and private organizations as well as societal stakeholders, and autonomously managing budgets for client processing, to give just a few examples (Durose, 2011; Ellis, 2011; Henman & Fenger, 2006).

Besides decentralization, a second and associated trend that has been altering the role of welfare caseworkers is the policy agenda of activation (Clasen & Clegg, 2006; Eichhorst, Kaufmann, Konle-Seidl, & Reinhard, 2008). Activation policies have been widely implemented in the areas of unemployment, social care and to some degree even pensions since the early 1990s, based on the notion that in the post-war era, overly generous welfare states nourished a *habitus* of dependency among benefit recipients. Consequently, activation implies that welfare clients are strongly encouraged to find work and become economically self-sufficient, either in the form of 'carrots' (like job retraining, personal care, or labor market reintegration budgets) or 'sticks' (job application requirements, sanctions). Because such a mind shift can best be achieved through services that are tailor-made to the needs and skills of individual clients, caseworkers play a very important role in deciding what activation means in practice, and for whom (Borghi & Van Berkel, 2007; Newman, 2007).

Because the welfare state context in which caseworkers operate has thus changed significantly over the past twenty years, this paper argues that Lipsky's model of policy implementation should be broadened to accommodate the new features of the activating state. In particular, a model is needed that not only addresses the wider economic, political, cultural and social processes influencing caseworker actions but also covers the feedback loops by which caseworker-managers shape societal structures in return.

In order to contribute to this theoretical endeavor, Lipsky's approach is combined here with elements from institutionalist theory and especially sociological institutionalism (Giddens, 1981; Powell & DiMaggio, Eds., 1991). The result is a micro-institutionalist model

of policy implementation<sup>i</sup> that conceptually embeds individual caseworker actions in a wider web of economic, political, cultural and social structures. In the following section, the theoretical foundations of a micro-institutionalist model of policy implementation will be presented. In the remainder of the article, existing literature on the implementation of social policy will be used to illustrate how a conceptual bridge can be built between the micro-level of the caseworker-client interaction, the meso-level of the implementing organization, and the macro-level of the wider societal context.

### **Micro-Institutionalism in a Nutshell**

Micro-institutionalism, with its focus on individual agents as the basic unit of analysis, departs from the stipulation that the entire social world is constituted by the actions of people. When a particular action pattern becomes standardized, i.e. becomes the standard response in or to a particular type of situation, one can speak of the creation of an ‘institution.’ To use the words of Anthony Giddens, one of the founding fathers of micro-institutional theory, institutions are “structured social practices that have a broad spatial and temporal extension: that are structured in what the historian Braudel calls the *longue durée* of time, and which are followed or acknowledged by the majority of the members of a society” (1981, p. 164). For example, marriage is an institution because it elicits a wide range of standard behaviors such as wearing a wedding ring, referring to one’s spouse as ‘my husband’ or ‘my wife,’ and not marrying B while being still married to A. In the world of social politics, unemployment benefits are an institution because all recipients of unemployment benefits will display certain behavioral patterns such as appearing at the Public Employment Service (PES) at regular intervals, not working in (regular) jobs while receiving unemployment benefits, and writing job applications to meet the benefit requirements of the PES.

Hence, institutions are ideas about the world that arguably come into being through the aggregated and increasingly standardized interactions of people. Once created, institutions then give meaning, purpose and direction to human interaction in a particular type of situation but thereby also restrict the action patterns that are relevant, appropriate, or even permitted in that type of situation. To return shortly to the example of marriage, buying a bus ticket is not a relevant behavior to the institution of marriage; having an amorous tête-à-tête with a person other than your spouse is certainly not appropriate; and marrying B while you are still married to A is even prohibited by law.

Yet if institutions legitimize certain actions while prohibiting others in a particular type of situation, does that mean that no other action patterns will ever become relevant, appropriate, or even permitted in that situation? No, argues micro-institutionalism, because just as individual human action is embedded in institutional contexts, institutions are in turn constituent parts of wider economic, political and/or cultural landscapes or “systems,” to borrow the terminology of systems theory (cf. Habermas, 1976, esp. pp. 5-6; Parsons, Shils, & Olds, 1951). And whenever a change occurs in these larger systemic landscapes, so do the prerequisites for action and hence also the meaning or scope of the related institutions.<sup>ii</sup> For instance, when a law is passed that grants homosexual couples the right to marry (a political systemic change), more and more homosexual couples will in fact get married (a changed action pattern) which in turn will change the institution of marriage from a formal union between a man and a woman to a formal union between two adult persons.

So far, we have thus seen that from a micro-institutionalist perspective, all social reality begins with individual human action; that aggregated and increasingly routinized (inter-) action leads to the emergence of institutions which form part of larger economic, political and cultural systemic landscapes; that institutions, once emerged, frame and/or restrict the actions that are relevant, appropriate, or permitted in certain types of situations;



and that systemic changes may induce alterations in the meaning or scope of institutions, thus changing the prerequisites for individual action (see Figure 1).

\*\*\* Figure 1 about here \*\*\*

As a last point, however, it should be mentioned that micro-institutionalism leaves some room for autonomous action outside of institutional blueprints, because while institutions do influence action, they do not fully determine it. As a result, it is not only the case that systemic changes may induce institutional change which subsequently elicits changed patterns of action, but it is likewise possible that the aggregated autonomous actions of individual agents may change the meaning or scope of an institution and thereby also the systemic environment of which that institution forms a part. To illustrate, when more and more married people get a divorce, this will not only transform the institution of marriage from a lifelong union into a periodical union but will also affect changes in the political and cultural underpinnings of societal life, such as when social security laws must be adapted to a new reality in which married women cannot automatically be assumed to be insured via their husbands, for example.

### **Applying Micro-Institutionalism in a Welfare State Setting**

In the previous section, a basic model of the interplay between societal systems, institutions and individual action was presented. In this section, that micro-institutionalist

model will be applied to the interaction between caseworkers and clients in a welfare state setting.

To begin with, any micro-institutionalist account of policy implementation must start with the stipulation that the welfare state as an institution is ‘real’ only in so far as it is constantly (re-) enacted and (re-) negotiated in the interaction between welfare caseworkers and clients. To elaborate, although the building blocks of the welfare state are to be found in legal documents and regulations, in the organizations responsible for the administration of welfare programs, in the staff hired to carry out the necessary casework, and in the fiscal budgets to be transferred to citizens in need, the welfare state only becomes real as a political institution once actors begin to act upon those prerequisites by implementing or changing welfare regulations, by incorporating these regulations into the administration of welfare programs, by adjusting their casework to the applicable regulations, and by treating citizens in a certain way. Thus, according to micro-institutional theory, only when the welfare state (represented by caseworkers) meets citizens in need does it really come into existence.

Micro-institutionalism would also predict, however, that because individual agents such as caseworkers and clients have the autonomous capacity to enact an institution such as the welfare state in ways that partially deviate from institutionalized patterns, the moment at which the welfare state becomes a manifest reality in the interaction between caseworkers and clients is also the moment when it starts to evolve and possibly to change (Marshall & Rollinson, 2004). To quote Giddens once again (1981, p. 171): “The structured properties of society [such as the welfare state] ... only exist (a) in their instantiation in social systems, made possible (b) by the memory-traces (reinforced or altered in the continuity of daily social life) that constitute the knowledgeability of social actors.”

The following three sections will build on existing studies to illustrate how the institution of the welfare state is both reinforced and changed through the aggregated

interactions between caseworkers and clients on the micro-level of social policy. First, the interaction proper between caseworkers and clients as the nucleus of welfare state development and change is discussed. Second, the role of the implementing organization in shaping the caseworker-client interaction is addressed. Both of these sections draw substantially on Lipsky's analytical repertoire but reframe it in micro-institutionalist terms. Lastly, some possible feedback mechanisms between the caseworker-client interaction, the implementing organization, and the wider economic, political, cultural and/or social environment are presented.

### **The Caseworker-Client Interaction from a Micro-Institutionalist Perspective**

As was already implied above, micro-institutionalism adds two important insights to the literature on social policy implementation. Most fundamentally, micro-institutionalist theory posits that the welfare state as a societal institution is not just a product of the laws and regulations which elaborate how it should function, but rather is continuously and dynamically produced and reproduced in the interaction among people, i.e. more precisely, among public officials and citizens. For instance, imagine that a parliament passes a law which states that all unemployed persons who miss more than two appointments with their caseworkers should lose ten percent of their benefits, but caseworkers across the country do not report absences to protect their clients. Does the welfare state then sanction or not sanction unexcused absences? Certainly the latter, in spite of a social policy that states otherwise. It is thus not primarily in rules and regulations, but rather in human actions that institutions (like the welfare state) are enacted and come alive.

As a second point, due to micro-institutionalism's focus on the enactment of institutions through human action, micro-institutionalism draws our attention to the fact that

in spite of seemingly iron laws and regulations, the benefits citizens receive from the welfare state are not fixed because they must be awarded and transferred through casework, which proceeds by way of human interaction and can therefore have rather different outcomes depending on the situation and the individuals involved (Berman, 1978; Lipsky 1978, 1980, 1991). Because there is already a considerable literature on the factors which may influence the caseworker-client interaction and may tip the balance either in favor or against generous client support, only the most salient of those factors shall briefly be reviewed here.

**The role of the caseworker.** On the side of the caseworker, an important factor which may have an influence on how favorably a client is perceived and treated by the representatives of the welfare state is the professional identity of the caseworker. On the one hand, there is the sympathetic caseworker type described by Maynard-Moody and Musheno (2003, p. 62) who “define themselves as advocates on a mission rather than bureaucrats implementing policy.” As Maynard-Moody and Musheno demonstrate, these caseworkers will often go an extra mile in order to help clients in need and even bend the rules if their personal “logic of appropriateness” (March & Olsen, 2009) commands them to do so. On the other hand, there are the rule-abiding bureaucrats described by Lipsky (1980, p. 149) who deny discretion and hide behind rules as a defense “against the possibility that they might be able to act more as clients would wish.” These caseworkers may be more unwilling to take into account the personal life circumstances of their clients, but one might also say that they are more inclined to treat all clients equally. In any case, as has become clear from this paragraph, the amount and kind of benefits received by welfare clients are not only a question of legal rights, but also of caseworker identity.

Closely connected with the professional identity of the caseworker are caseworkers’ ideas about what makes clients ‘worthy’ of public solidarity. As Lipsky notes, “street-level

bureaucrats, like everyone else, have personal standards of whether or not someone is deserving” (1980, p. 23). And for “worthy” clients, caseworkers are much more inclined to stretch the rules as much as possible, to provide extra service or information, and sometimes even break the rules (Maynard-Moody & Musheno, 2003). However, if a client is labeled as a “bad guy,” his or her perceived character flaws may serve as a legitimization “to limit service, to punish even slight misdeeds, and to confirm the street-level worker’s moral judgment of the individual” (Maynard-Moody & Musheno, 2003, p. 143). The moral criteria applied by caseworkers in determining the worthiness of a client may vary greatly and encompass anything from the willingness or ability to change, the motivation to improve one’s condition, taking responsibility for one’s own life, active participation in society, human dignity, human need, etc. Here again, different caseworker values may have very different outcomes in terms of the scope and kinds of benefits that citizens receive from the welfare state.

Lastly, also relevant in the caseworker-client interaction are the education and training of the caseworker, including language skills when facing immigrant clients (Jonsson, 1998); the private situation of the caseworker and any personal experiences he or she might have with particular social groups such as immigrants, single mothers, alcohol addicts, etc. (Dubois, 2010, pp. 124-125); and the frequency of interaction with individual clients, since a shared level of understanding is less likely to arise when interaction is infrequent (Kiser & Ostrom, 1982, p. 203).

**The role of the client.** This brings us to a third vital contribution micro-institutionalism makes to the study of social policy implementation, namely a focus not only on the caseworker, but also on the client in the caseworker-client interaction (Brodkin & Majmundar, 2008). On the client side, it could be assumed that the argument which Schneider and Ingram (1993) have made for the policy-making process also holds for the

implementation of social policy, namely that clients belonging to societally influential or positively constructed groups will *ceteris paribus* receive better treatment than clients who belong to negatively constructed and/or non-influential groups – once again for reasons of ‘deservingness’ and also of political legitimacy. In contrast, Maynard-Moody and Musheno (2003, p. 94) contend that “street-level workers do not see citizen-clients as abstractions – ‘the disabled,’ ‘the poor,’ ‘the criminal’ – but as individuals with flaws and strengths who rarely fall within the one-size-fits-all approach of policies and laws.” According to these authors, what matters more in determining the approach of caseworkers to clients are physical attributes such as skin color, gender, age (p. 91) and sexuality (Jenkins, 2000, p. 18), or character types such as “troublemaker,” “personality disorder” or “nice lady” (Maynard-Moody & Musheno, 2003, p. 154). Another feature which may have a strong impact on how clients are treated by caseworkers are language abilities, as Jonsson (1998, p. 33) points out: When clients cannot express their needs well, this can make them appear as dubious characters in the eyes of the caseworker, unless the latter has good cross-cultural skills and is able to bridge the cultural and language divide.

Apart from social or cultural constructions, the behavior of the client towards the caseworker is naturally very decisive for the caseworker’s response to the client’s concerns. As Lipsky notes, caseworkers have a tendency to be more responsive to cooperative or helpful clients because those are seen as better investments for the caseworker’s time, efforts and budget resources (Lipsky, 1980, p. 152). Maynard-Moody and Musheno also note that caseworkers are more inclined to make exceptions and stretch the rules if clients are cooperative, whereas a rule-bound and strictly bureaucratic approach may be used to discipline recalcitrant citizens (2003, p. 137). However, Jonsson observes that caseworkers may in fact resort to a variety of strategies next to the “bureaucratic administrator strategy” when they perceive their clients as difficult to deal with, such as the “caring professional

strategy,” the “caring ‘amateur’ strategy,” and the “coordinator strategy.” In each of these cases, a client may experience very different treatment by the welfare state depending on the interpersonal dynamics unfolding between him or her and the caseworker.

Lastly, the amount and kind of benefits which a citizen receives from the welfare state may depend to a considerable degree on the client’s knowledge of the law and familiarity with the system of social security (Dubois, 2010, pp. 29-34). This of course favors individuals with a higher education, good language skills, and experience in dealing with a country’s national authorities.

As has become apparent from this short and highly selective review of the street-level bureaucracy literature, personal attributes can have a strong impact on how the institution of the welfare state is enacted and changed in the everyday-encounters between caseworkers and citizens. Before we turn to the role of organizations in influencing the caseworker-client interaction, however, let it be remarked here that the welfare state is the primary, but not the only societal institution which is evoked and (re-) negotiated in the caseworker-client interaction. For instance, the institution of work stands central in the interaction process (cf. Moser, 1998), with discursive struggles revolving around the question what counts as work and how much work is minimally acceptable, such as paid labor, being an artist, raising children, or doing community work. Another central institution which plays a significant role in the caseworker-client interaction process is the institution of collective solidarity, with some of the contestable subjects involved being who deserves public solidarity, how much public solidarity is adequate or sufficient, what should the addressee of public solidarity do to repay the community’s favor, and which moral principle should serve as the basis for public solidarity (cf. Deutsch, 1975; Svallfors, 1997). Especially in the era of activation when clients must often convince their caseworkers that an investment in their human capital will prove

profitable, the institution of collective solidarity can be expected to be more often and more thoroughly (re-) negotiated during the caseworker-client interaction than before (Cox, 1998).

### **The Caseworker-Client Interaction in an Organizational Context**

Above, we have seen that according to micro-institutionalism, human interaction is always embedded in societal structures such as (a) economic, political, cultural and social systems, and (b) societal institutions, i.e. “patterned, organized and symbolically-templated ‘ways-of-doing-things’” (Jenkins, 2000, p. 10). However, these systems and institutions not only affect and shape human interaction, but are in turn also affected, reinforced and changed by it. Thus, the dynamism between structure and agency can be regarded as the central proposition of micro-institutionalist theory (Marshall & Rollinson, 2004, p. S76).

In complex modern societies, however, human interaction is often mediated by a specific type of institution, namely organizations (Meyer, Boli, & Thomas, 1987; Meyer & Jepperson, 2000). In terms of the micro-institutionalist model of action presented above, the institutional characteristics of organizations can be concretized as follows. Organizations

- (a) are usually embedded primarily in one particular societal system, like a monastery in the cultural system, a firm in the economic system, or a parliament in the political system. This system will serve as the strongest reference point for any interaction within the organization, but the remaining societal systems will have an influence on, and be influenced by, the organization as well;
- (b) are ‘meso’-systems built around a specific core institution or set of institutions, such as a monastery around a religion like Catholicism or Buddhism, a firm around the maxim of profit-making, or a parliament around the institution of legislation, with all the standardized interaction patterns this entails (e.g. praying and burning incense in



the case of Buddhism or Catholicism, exchanging a good or service for more money than it cost to produce in the case of profit-making, or debating draft laws and voting on them in the parliament building in the case of legislature);

- (c) also have institutional characteristics, i.e. they develop routinized and formalized interaction patterns (interaction ‘blueprints’) which however are applicable only to the members and clients of the organization, not to society as a whole. In short, organizations inhabit an intermediary space between societal systems and institutions, sharing characteristics of both (Figure 2).

\*\*\* Figure 2 about here \*\*\*

Bringing this enhanced micro-institutionalist argumentation home to the interaction between welfare caseworkers and clients, we can say that welfare organizations are usually primarily embedded in the political system, which will thus have the strongest impact on the way in which standardized interaction patterns are structured within the organization. Furthermore, as was discussed above, welfare organizations are primarily built around the institution of the welfare state but also other associated institutions such as collective solidarity, work, etc. that will not only shape interactions within the organization but will also be affected and re-shaped by interactions within the organization over time. Lastly, it should not be forgotten that organizations have institutional characteristics themselves, which implies that any policy-implementing organization will add its own enabling and restricting elements to the process of policy implementation. It is to a review of the organizational factors shaping the interaction between welfare caseworkers and clients that we now turn.

**Organizational politics.** In terms of organizational politics, the caseworker-client interaction will be influenced on the one hand by the degree of autonomy of the implementing organization from municipal policy directives or national oversight, and on the other hand by the goals set for the organization by the top-management, such as cost-saving, efficiency of client processing, or adequacy of addressing clients' needs. As Meyers, Riccucci, and Lurie (2001) have shown in a case study on municipal welfare governance in three U.S. states, these goals can vary considerably not only among, but also within regional contexts. For instance, in order to cut down on costs, welfare organizations may adjust their hiring patterns and try to hire only "workers less sympathetic to clients" (Lipsky, 1991: 217) or people with an accounting background rather than a background in social work. On the other hand, organizations may deliberately choose to hire trained social workers as front-line staff if they want to ensure that clients are treated emphatically and their needs are addressed properly. Apart from hiring policy, a second strategy welfare organizations can employ to discourage clients from even applying for welfare benefits is democratic proceduralism (Brodkin & Majmundar, 2008), as when many different forms and documents are required for the initial application or when waiting times for an appointment are very long. Thirdly, welfare organizations may adjust the caseload of their front-line staff as a strategy to either favor the "creaming" of the most promising clients, or to enable the intensive counseling of more vulnerable clients (Lipsky, 1980, pp. 107-108). (From this, however, one should not conclude that high caseloads are always a function of organizational strategy – they may also be retraceable to the funds made available to the organization by the municipal or national government, i.e. to the policy goals of actors on the local, regional or national political level; see below). Fourthly, monetary rewards or other credits can be used to direct caseworkers' attention and time resources more towards certain client groups, such as young unemployed below the age of 25, immigrants with low language skills, or single mothers who cannot get

back to work if there is no day-care available for their children (cf. Lipsky, 1980, p. 108). Fifthly, the outcome of the caseworker-client interaction will depend to a considerable degree on the range of discretion granted to the caseworkers by the middle management, which in turn is highly contingent on the degree to which the middle management is made responsible for aggregate casework outcomes by the top-management (Lipsky, 1991, p. 215). And lastly, organizations employ both computerized classification tools and conversation guidelines for assessing clients' needs or readiness to work as a means to structure the caseworker-client interaction, eliminating certain client concerns as 'irrelevant' from the conversation and thereby redefining the client's life conditions in a way that matches the institutional prerequisites of the organization (Caswell, Marston, & Larsen, 2010).

All of these factors – hiring policies, bureaucratic proceduralism, caseloads, incentive structures, discretion, and classification guidelines – are not determined by either the caseworker or the client, yet they do play a strong role in setting the framework for the caseworker-client interaction and thus in making certain types of client processing and client reaction much more likely than others.

**The organizational economy.** In organizational-economic terms, some factors that influence the caseworker-client interaction by enlarging or reducing the caseworker's room for maneuver include (a) the resources available to the organization in the form of "time, money, human resources and skills" (Lipsky, 1991, p. 213); (b) the internal budget structures of the organization, which can either be program-focused (e.g. two million dollars for the Young Jobseekers Employment Program in fiscal year 2012) or client-focused (e.g. a maximum of 12.000 dollars for every client in the first year of unemployment), with the difference being that some program-focused pots are likely to be exhausted before the end of the fiscal year, making it impossible to sign up more clients for programs that might otherwise

have served clients' needs well; and (c) the quantity and quality of contracts with private providers of welfare services such as employment companies, counselors, community projects or trainers which, if well-managed, can increase the palette of services caseworkers can offer to clients (Bertelli & Smith, 2010; Brown, Potoski, & Van Slyke, 2006).

**Organizational culture.** In organizational-cultural terms, it has been noted that caseworkers must frequently accommodate disparate organizational goals and personal values in dealing with clients (Lipsky, 1980) and that organizational culture as “a particularistic system of symbols shaped by ambient society and the organization's history, leadership and contingencies, differentially shared, used and modified by actors in the course of acting and making sense out of organizational events” (Allaire & Firsirotu, 1984, p. 216) helps caseworkers to order their value preferences and decide which action logic to prioritize in any given situation. However, as Berg (2006) points out, there are usually various “communities of meaning and action” within every organization, and the behavior of a caseworker towards a client may in part be determined by the organizational ‘sub-culture’ (such as the traditionalists, the fatalistic isolationists, the competition-oriented individualists, the egalitarian team-players or the innovators) to which that caseworker belongs. In a U.S. context, Maynard-Moody and Musheno have further found divisions among caseworkers along less abstract and more primordial lines: “Like the relations across generations of residents in an urban neighborhood in flux, more seasoned and newer workers see things differently and draw on their generational enclaves for support. Tensions are evident in relations across distinct identity enclaves as brought to life by the same social signifiers that provide the grist for conflict and urban neighborhoods: race, ethnicity, religion, class, gender, and sexuality” (2003, p. 75). In a European context, Knuth and Larsen (2010) found that differences in professional culture between municipal and PES caseworkers hamper

integrated client treatment in Danish and German Jobcenters. Where they exist, such frictions between caseworker sub-cultures are likely to go hand in hand with different approaches to casework in general, and specific client groups in particular.

**Social relations within the organization.** In social terms, finally, it can be said that communication flows among caseworkers play an important role in reifying “prejudicial or beneficial” attitudes towards certain client groups among colleagues in a welfare organization (Lipsky, 1980, p. 156). Furthermore, Lipsky observes that good human relations within the welfare organization serve as a prerequisite for high-quality front-line services because disgruntled caseworkers may show signs of alienation and apathy or try to ‘punish’ their organization by not working well (1980, p. 17), once again with grave implications for clients. Lastly, the building, interior décor, location etc. of the welfare organization also conveys an implicit message about how much the organization values and respects its clients (cf. Dubois, 2010, pp. 38-42; Yanow, 1996, esp. ch. 6), and this message is very likely to impact a client’s attitude and behavior towards a caseworker (e.g. trusting, watchful or defensive) irrespective of the caseworker’s actual performance and actions.

To summarize, , a number of factors were presented above that may influence the final shape of a welfare policy as it emerges in the caseworker-client interaction within a particular organizational context. In order to come full circle, the following section will now give a short overview of factors in the local or regional, national, and international systemic environment of the welfare organization that might have an influence on how the organization interprets and implements welfare policy, again with marked consequences for the process and outcome of the caseworker-client interaction.

### **The Systemic Context of Welfare Policy Implementation**

As numerous authors writing in the (micro-) institutionalist tradition have pointed out, corporate actors and individual agents are always embedded in larger societal systems that “structure the perceptions, resources, and participation of those actors” and agents (Sabatier, 1986, p. 35). For instance, Berman (1978, p. 17, 25) contends that the way in which a policy is implemented by local actors always depends on the “political, social and economic conditions of the local environment” which again is “embedded in a larger environment (e.g. general social and economic conditions).” Scott and Meyer add that the institutional environment of organizations is influenced by “generalized belief systems,” i.e. culture, “that define how specific types of organizations are to conduct themselves” (1991, p. 123). This systematization of the systemic environment of policy-implementing organizations, i.e. the local, regional, national and international level on the one hand and the economic, political, cultural and social sphere on the other hand, corresponds well with the basic propositions of systems theory (Parsons, 1951) in which culture is seen as the cognitive system that makes it possible for actors to know their place among people and objects and to act in that environment based on moral evaluations and judgments; the economy is seen as a system for the exchange of goods that determines people’s and collectives’ standard of living; politics is seen as a system of contention and debate in which actors wrestle to have their own ideal visions of the world cast into laws and regulations; and the social sphere is seen as the net of human relations that binds people together in both primordial and rationalistic collectives such as families, friendships, organizations, nations, or states. All of those levels and spheres shape and influence the interaction between caseworkers and clients in welfare organizations because both agents involved in the interaction are directly embedded in these systems as individuals, and because the implementing organization is embedded in these systems as a meso-system and institution.

**The social environment.** Among the social factors in the local, regional, national and international systemic environment of a welfare organization that shape both the organization's policy adaptation and the caseworker-client interaction within the organization are the standard lifecourse and family patterns characteristic of a given society and/or historical era, such as delayed vs. early marriage, or the extended family vs. the nuclear family (Mayer, 2001); demographic trends such as population ageing due to falling birthrates; and patterns of immigration.

**The cultural environment.** In the cultural system, the agenda-setting function of media and advocacy networks has important repercussions for the practices and routines of welfare organizations, for instance when changes of procedure are demanded by the public in response to a welfare-related tragedy or scandal (Duffy & Collins, 2010; Sabatier, 1986). Moreover, the legitimacy and goals of welfare organizations are contingent on wider societal discourses and more generally, "welfare culture" (Pfau-Effinger, 2005; Van Oorschot, Opielka, & Pfau-Effinger, Eds., 2008). Thus, Duffy and Collins (2010) observe that child welfare is more oriented toward family needs and human rights in Northern Ireland than in the US, with marked differences between administrative procedures and child services as a result. Lastly, the reciprocal relationship between welfare organizations and citizens is not least shaped by cultural ideologies about what constitutes full membership in the nation in terms of gender, ethnicity, or religion (Bulpett, 2002; Calloni, 2005; Lewis, 1992; O'Connor, 1993). As an example, Dubois (2010, p. 70) notes that the official forms used by French welfare offices recognize only heterosexual couples.

**The economic environment.** In the economic system, class divisions within society (Baldwin, 1990), changes in the structure of economic production (e.g. deindustrialization, tertiarization), the economic growth rate, the unemployment rate, or the influence of trade unions are important factors in shaping and framing organizational policy implementation as well as the interaction between caseworkers and clients. For instance, Theodore and Peck (1999) have reported “considerable differences” in the implementation of the UK’s New Deal between Cambridge and Liverpool because different levels of unemployment confronted administrators with highly differential caseloads and work-related barriers.

**The political environment.** Finally, in the local political environment, some of the systemic factors most relevant for the implementing organization’s policy approach as well as the caseworker-client interaction include directives from the municipal government, network structures between the implementing organization and other public or private organizations (Hvinden, 1991), and the existence of local or regional “partnerships for inclusion” between a public employment service and employers, trade unions, or NGOs (Mailand & Andersen, 2004). At the national level, existing legislation and welfare reform agendas (Ferrera & Hemerijk, 2003; Pierson, 1996) affect the local and individual conditions of policy-implementation just as much as the structure of the federal bureaucratic apparatus (Pierson, 1995), long-established governance traditions (Kaufmann, 1986; Poulsen, 2009), and the emergence of new policy paradigms (Hall, 1993; Jessop, 1999; ). Finally, at the supra-national level, international organizations such as the Organization for Economic Co-operation and Development (OECD) or the European Union participate in setting the framework for micro-level policy implementation, for instance by distributing budgets to selected municipalities or projects through the European Social Fund (Moreno & Palier, 2005; Verschraegen, Vanhercke & Verpoorten, 2011).



Figure 3 summarizes the systemic factors which have been identified in this paper as influencing the caseworker-client interaction in a local organizational policy implementation context.

\*\*\* Figure 3 about here \*\*\*

## Conclusion

This paper has argued that in today's era of activation and the localization of welfare, the implementers of social policy are faced with complex challenges that go beyond the intra-organizational dynamics described by Lipsky thirty-two years ago. While activation's focus on tailor-made services has increased the influence of individual agents such as managers, caseworkers and clients on the redistributive outcomes produced by the welfare state, processes of decentralization and devolution are making the implementing organizations more susceptible and vulnerable to wider political, economic, cultural and social developments. In order to theoretically accommodate these changed conditions under which today's caseworkers operate, it has been proposed to marry Lipsky's street-level bureaucracy framework with institutionalist theory and in particular sociological institutionalism, arriving at a micro-institutionalist theory of policy implementation.

The core stipulation of such a theory is that the welfare state as an institution does not live in abstract regulations and legal texts but rather in the day-to-day interactions between caseworkers and clients in local welfare offices. As offset against both Lipsky's original approach and macro-institutional analyses of social policy, this statement carries two important insights. On the one hand, it means that the aggregated actions of the individuals

implementing social policy have the power to change the institution of the welfare state and even wider societal systems. For example, when the aggregate outcome of caseworker action is that many unemployed single mothers stay at home in spite of a law that requires them to look for work, this will not only change *de-facto* social policy but also have a societal impact on family structures and the composition of the labor force. On the other hand, the contention that the welfare state is real only in so far as it is instantiated in personal interactions implies that the institutional outputs and systemic outcomes of welfare states are likely to vary across the organizational and local contexts in which these interactions are embedded. In a nutshell, micro-institutionalism would thus posit that welfare states are neither monolithic across micro-level contexts, nor static even in the absence of formal rule changes. Rather, welfare states are seen as institutionally diverse not only across but also within national boundaries, and as being constantly in flux as a result of aggregated and at least partly autonomous micro-level actions.

By way of conclusion, a micro-institutionalist approach to policy implementation develops the original street-level bureaucracy approach further in four central respects. Firstly, it makes explicit the interrelatedness between the caseworker-client interaction and its wider institutional and systemic context. As Berman notes: “Because implementation – like other human problem solving activities ... – arises from the interaction of a policy with its setting, we cannot anticipate the development of a ... theory of implementation that is ‘context-free’” (1978, p. 32). Secondly, because micro-institutionalism acknowledges that interaction is never unidimensional, it draws our attention to the fact that not only the caseworker, but also the client shapes the process and outcome of his or her interaction with the welfare state, just as the caseworker may act very differently depending on who the client is and what that means to her or him (Maynard-Moody & Musheno, 2003). Thirdly, micro-institutionalism puts flesh to the bones of Esping-Andersen’s claim that the welfare state “is,

in its own right, a system of stratification” (1990, p. 23; cf. also Korpi, 1983) because it explicates the social mechanisms by which the welfare state as an institutions frames and shapes the caseworker-client interaction, thereby also welfare outcomes for clients and eventually, in an aggregated way, societal structures. And lastly, micro-institutionalism provides a theoretical framework for bringing together two scientific approaches that are both vital to an understanding of social policy-related issues, but which have hitherto lead a rather separate life: culturalist or phenomenological approaches on the one hand, and rationalist or realist approaches on the other hand (Jepperson, 1991).

In a world in which social policy is increasingly framed in terms of activation, i.e. tailor-made and needs-based services used as an instrument of ‘human investment’ rather than social protection, and where the local implementation level is thus becoming increasingly important in determining how citizen-clients are treated by the welfare state and ‘who gets what,’ micro-institutionalism therefore provides a very useful theoretical framework for understanding how societal systems and institutions affect the interaction between citizens and welfare caseworkers, as well as how that interaction shapes societal structures in return.

### References

- Allaire, Y., & Firsirotu, M. E. (1984). Theories of organizational culture. *Organization Studies*, 5(3), 193-226.
- Baldwin, P. (1990). *The politics of social solidarity: Class bases of the European welfare state 1875 – 1975*. Cambridge: Cambridge University Press.
- Berg, A. M. (2006). Transforming public services – transforming the public servant? *International Journal of Public Sector Management*, 19(6), 556-568.
- Berman, P. (1978). *The study of macro and micro implementation of social policy*. The Rand Paper Series, P-6071. URL: <http://www.rand.org/pubs/papers/2008/P6071.pdf> [Rev. 2011-10-13].
- Bertelli, A. M., & Smith, C. R. (2010). Relational contracting and network management. *Journal of Public Administration Research and Theory*, 20, i21-i40.
- Borghi, V., & Van Berkel, R. (2007). Individualised service provision in an era of activation and new governance. *International Journal of Sociology and Social Policy*, 27(9/10), 413-424.
- Bressers, H. (2007). *Contextual interaction theory and the issue of boundary definition: governance and the motivation, cognitions and resources of actors*. Contribution to ISBP theoretical framework, CTSM, University of Twente. URL: [http://www.utwente.nl/mb/cstm/reports/downloads/contextual\\_interaction\\_theory.pdf](http://www.utwente.nl/mb/cstm/reports/downloads/contextual_interaction_theory.pdf) [Rev. 2011-10-13].
- Brodkin, E. Z., & Majmundar, M. (2008). *Organizations and exclusion: An inquiry into bureaucratic proceduralism and welfare exits*. National Poverty Center Working Paper

- 08-05. URL: [http://www.npc.umich.edu/publications/working\\_papers/](http://www.npc.umich.edu/publications/working_papers/) [Rev. 2011-10-13].
- Brown, T. L., Potoski, M., & Van Slyke, D. M. (2006). Managing public service contracts: Aligning values, institutions, and markets. *Public Administration Review*, 66(3), 323-331.
- Bulpett, C. (2002). Regimes of exclusion. *European Urban and Regional Studies*, 9(2), 137-149.
- Calloni, M. (2005). Paradoxes of democracy: The dialectic of inclusion and exclusion. In J. G. Andersen, A.-M. Guillemard, P. H. Jensen, & B. Pfau-Effinger (Eds.), *The changing face of welfare: Consequences and outcomes from a citizenship perspective* (pp. 93-112). Bristol: Policy Press.
- Caswell, D., Marston, G., & Larsen, J. E. (2010). Unemployed citizen or “at risk” client? Classification systems and employment services in Denmark and Australia. *Critical Social Policy*, 30(3), 384-404.
- Clasen, J., & Clegg, D. (2006). Beyond activation: Reforming European unemployment protection in post-industrial labour markets. *European Societies*, 8(4), 527-553.
- Cox, R. H. (1998). The consequences of welfare reform: How conceptions of social rights are changing. *Journal of Social Policy*, 27(1), 1-16.
- Deutsch, M. (1975). Equity, equality, and need: What determines which value will be used as the basis of distributive justice? *Journal of Social Issues*, 31(3), 137-149.
- Dubois, V. (2010). The bureaucrat and the poor: Encounters in French welfare offices. Farnham: Ashgate.
- Duffy, J., & Collins, M. E. (2010). Macro impacts on caseworker decision-making in child welfare: A cross-national comparison. *European Journal of Social Work* 13(1), 35-54.

- Durose, C. (2011). Revisiting Lipsky: Front-line work in UK local governance. *Political Studies* 59(4), 978-995.
- Eichhorst, W., Kaufmann, O., Konle-Seidl, R., & Reinhard, H.-J. (2008). Bringing the jobless into work? An introduction to activation policies. In W. Eichhorst, O. Kaufmann, & R. Konle-Seidl (Eds.), *Bringing the jobless into work? Experiences with activation schemes in Europe and the US* (pp. 2-16). Berlin: Springer.
- Ellis, K. (2011). 'Street-level bureaucracy' revisited: The changing face of frontline discretion in adult social care in England. *Social Policy & Administration* 45(3), 221-244.
- Esping-Andersen, G. (1990). *The three worlds of welfare capitalism*. Cambridge: Polity Press.
- Ferrera, M., & Hemerijck, A. (2003). Recalibrating Europe's welfare regimes. In J. Zeitlin & D. M. Trubek (Eds.), *Governing work and welfare in a new economy: European and American experiments* (pp. 88-128). Oxford: Oxford University Press.
- Giddens, A. (1981). Agency, institution, and time-space analysis. In K. Knorr-Cetina & A. V. Cicourel (Eds.), *Advances in social theory and methodology: Toward an integration of micro- and macro-sociologies* (pp. 161-74). Boston: Routledge and Kegan Paul.
- Habermas, J. (1976). *Legitimation crisis*. London: Heinemann.
- Hall, P. A. (1993). Policy paradigms, social learning, and the state: The case of economic policymaking in Britain. *Comparative Politics*, 25(3), 275-296.
- Henman, P., & Fenger, M. (2006). Reforming welfare governance: Reflections. In: P. Henman & M. Fenger (Eds.), *Administering welfare reform: International transformations in welfare governance* (pp. 257-278). Bristol: Policy Press.
- Hvinden, B. (1991). Interorganisational relations in the pursuit of social security. In M. Adler, C. Bell, J. Clasen, & A. Sinfield (Eds.), *The sociology of social security* (pp. 249-64). Edinburgh: Edinburgh University Press.

- Jenkins, R. (2000). Categorization: Identity, social process and epistemology. *Current Sociology*, 48(3), 7-25.
- Jepperson, R. L. (1991). Institutions, institutional effects, and institutionalism. In W. W. Powell & P. J. DiMaggio (Eds.), *The new institutionalism in organizational analysis* (pp. 143-63). Chicago: The University of Chicago Press.
- Jessop, B. (1999). The changing governance of welfare: Recent trends in its primary functions, scale, and modes of coordination. *Social Policy & Administration*, 33(4), 348-359.
- Jonsson, T. B. (1998). Institutionalized strategies in face-to-face encounters: Focus on immigrant clients. *Scandinavian Journal of Social Welfare*, 7(1), 27-33.
- Kaufmann, F.-X. (1986). The blurring of the distinction "state versus society" in the idea and practice of the welfare state. In: F.-X. Kaufmann, G. Majone, & V. Ostrom (Eds.), *Guidance, control, and evaluation in the public sector: The Bielefeld interdisciplinary project* (pp. 127-138). Berlin: De Gruyter.
- Kiser, L. L., & Ostrom, E. (1982). The three worlds of action: A metatheoretical synthesis of institutional approaches. In E. Ostrom (Ed.), *Strategies of political inquiry* (pp. 159-73). Beverly Hills: Sage.
- Knuth, M., & Larsen, F. (2010). Increasing roles for municipalities in delivering public employment services: The cases of Germany and Denmark. *European Journal of Social Security* 12(3), 174-200.
- Korpi, W. (1983). *The democratic class struggle*. London: Routledge and Kegan Paul.
- Lewis, J. (1992). Gender and the development of welfare regimes. *Journal of European Social Policy*, 2(3), 159-173.

- Lipsky, M. (1978). Standing the study of public policy implementation on its head. In W. D. Burnham & M. W. Weinberg (Eds.), *American politics and public policy* (pp. 391-402). Boston: Massachusetts Institute of Technology Press.
- Lipsky, M. (1980). *Street-level bureaucracy: Dilemmas of the individual in public services*. New York: Russell Sage Foundation.
- Lipsky, M. (1991). The paradox of managing discretionary workers in social welfare policy. In: M. Adler, C. Bell, J. Clasen, & A. Sinfield (Eds.), *The sociology of social security* (pp. 212-28). Edinburgh: Edinburgh University Press.
- Mailand, M., & Andersen, S. K. (2004). Social partnerships for inclusion: Theoretical understandings and empirical typologies. In J. Lind, H. Knudsen, & H. Jørgensen (Eds.), *Labour and employment regulation in Europe* (pp. 381-402). Brussels: P.I.E. – Peter Lang.
- March, J. G., & Olsen, J. P. (2009). *The logic of appropriateness*. ARENA Working Paper 04/09, University of Oslo. URL: [http://www.arena.uio.no/publications/wp04\\_9.pdf](http://www.arena.uio.no/publications/wp04_9.pdf) [Rev. 2009-11-30].
- Marshall, N., & Rollinson, J. (2004). Maybe Bacon had a point: The politics of interpretation in collective sensemaking. *British Journal of Management*, 15(S1), S71-S86.
- Mayer, K. U. (2001). The paradox of global social change and national path dependencies: Life course patterns in advanced societies. In A. Woodward & M. Kohli (Eds.), *Inclusions and exclusions in European societies* (pp. 89-110). London: Routledge.
- Maynard-Moody, S., & Musheno, M. (2003). *Cops, teachers, counselors: Stories from the front lines of public service*. Ann Arbor: The University of Michigan Press.
- Meyer, J. W., Boli, J., & Thomas, G. M. (1987). Ontology and rationalization in the Western cultural account. In: G. M. Thomas, J. W. Meyer, F. O. Ramirez, & J. Boli (Eds.),



*Institutional structure: Constituting state, society, and the individual* (pp. 12-37).

London: Sage.

- Meyer, J. W., & R. L. Jepperson (2000). The “actors” of modern society: The cultural construction of social agency. *Sociological Theory*, 18(1), 100-120.
- Meyers, M. K., N. M. Riccucci, & Lurie, I. (2001). Achieving goal congruence in complex environments: The case of welfare reform. *Journal of Public Administration Research and Theory*, 11(2), 165-201.
- Moreno, L., & Palier, B. (2005). The Europeanisation of welfare: Paradigm shifts and social policy reforms. In P. Taylor-Gooby (Ed.), *Ideas and welfare state reform in Western Europe* (pp. 145-75). Houndmills: Palgrave Macmillan.
- Moser, J. (1998). On the cultural meaning of work in postindustrial societies. *Ethnologia Europaea*, 28(1), 55-66.
- Newman, J. (2007). The “double dynamics” of activation: Institutions, citizens and the remaking of welfare governance. *International Journal of Sociology and Social Policy*, 27(9/10), 364-375.
- O'Connor, J. S. (1993). Gender, class and citizenship in the comparative analysis of welfare state regimes: Theoretical and methodological issues. *The British Journal of Sociology*, 44(3), 501-518.
- Parsons, T., & E. A. Shils, with the assistance of J. Olds (1951). The social system. In T. Parsons & E. A. Shils (Eds.), *Toward a general theory of action: Theoretical foundations for the social sciences* (pp. 190-233). New York: Harper & Row.
- Parsons, T. (1951). *The social system*. Glencoe: The Free Press.
- Pfau-Effinger, B. (2005). Culture and welfare state policies: Reflections on a complex interrelation. *Journal of Social Policy*, 34(1), 3-20.

- Pierson, P. (1995). Fragmented welfare states: Federal institutions and the development of social policy. *Governance* 8(4), 449-478.
- Pierson, P. (1996). The new politics of the welfare state. *World Politics*, 48(2), 143-179.
- Poulsen, B. (2009). Competing traditions of governance and dilemmas of administrative accountability: The case of Denmark. *Public Administration*, 87(1), 117-131.
- Powell, W. W., & DiMaggio, P. J. (Eds.). (1991). *The new institutionalism in organizational analysis*. Chicago: The University of Chicago Press.
- Sabatier, P. A. (1986). Top-down and bottom-up approaches to implementation research: A critical analysis and suggested synthesis. *Journal of Public Policy*, 6(1), 21-48.
- Schneider, A., & H. Ingram (1993). Social construction of target populations: Implications for politics and policy. *American Political Science Review*, 87(2), 334-347.
- Scott, R. W., & J. W. Meyer (1991). The organization of societal sectors: Propositions and early evidence. In: W. W. Powell & P. J. DiMaggio (Eds.), *The new institutionalism in organizational analysis* (pp. 108-40). Chicago: The University of Chicago Press.
- Sewell, W. H. (1992). A theory of structure: Duality, agency, and transformation. *American Journal of Sociology* 98(1), 1-29.
- Svallfors, S. (1997). Worlds of welfare and attitudes to redistribution: A comparison of eight Western nations. *European Sociological Review*, 13(3), 283-304.
- Theodore, N., & Peck, J. (1999). Welfare-to-work: National problems, local solutions? *Critical Social Policy* 19(4), 485-510.
- Van Berkel, R., & Borghi, V. (2008). Review article: The governance of activation. *Social Policy & Society*, 7(3), 393-402.
- Van Oorschot, W., M. Opielka, & B. Pfau-Effinger (Eds.). (2008). *Culture and welfare state: Values and social policy in comparative perspective*. Cheltenham: Edward Elgar.

Verschraegen, G., B. Vanhercke, & R. Verpoorten (2011). The European Social Fund and domestic activation policies: Europeanization mechanisms. *Journal of European Social Policy* 21(1), 55-72.

Yanow, D. (1996). *How does a policy mean? Interpreting policy and organizational actions*. Washington, D.C.: Georgetown University Press.

Figures

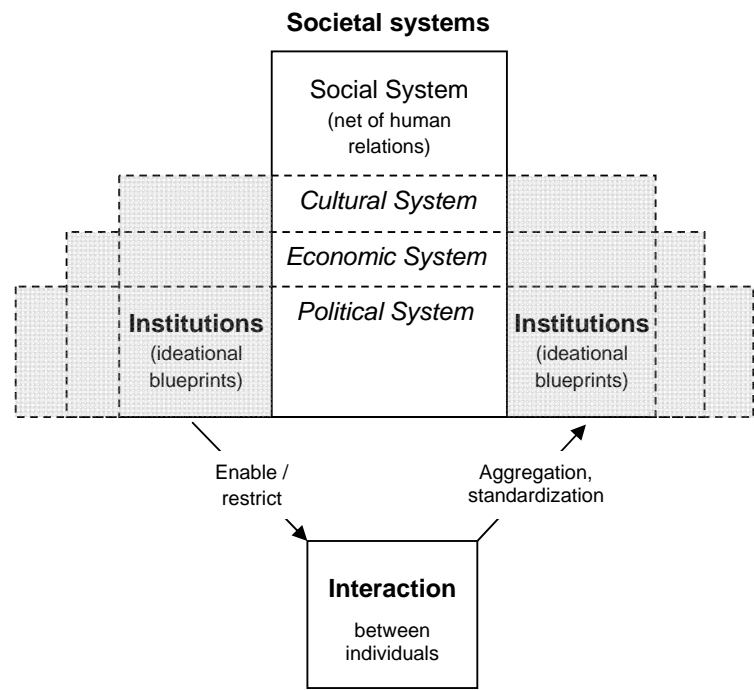


Figure 1. Institutions as ideational blueprints mediating between societal systems and individual action.

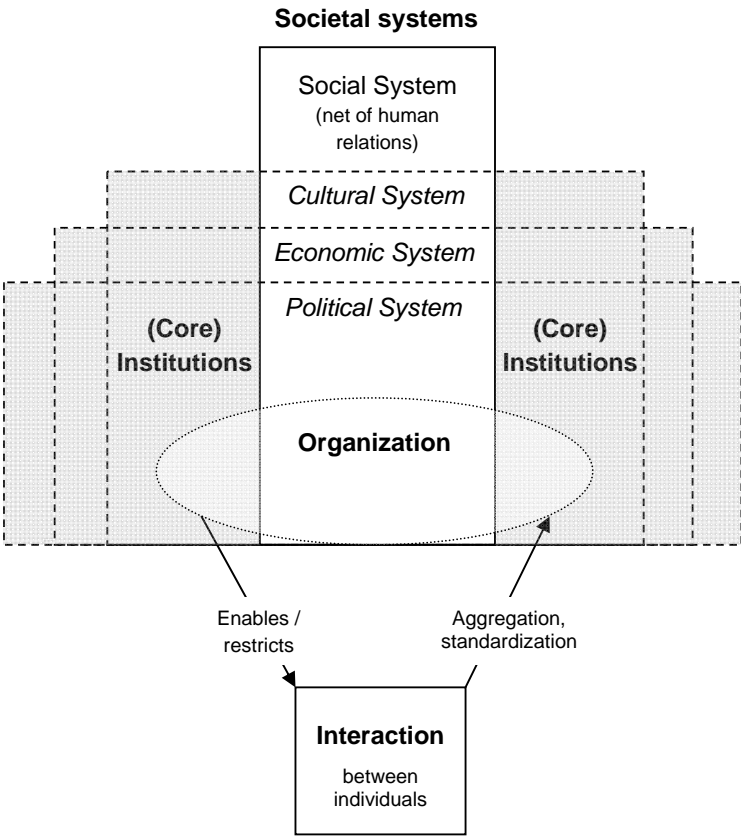


Figure 2. Organizations as (a) meso-systems built around a core institution or set of institutions, and (b) as having institutional characteristics in their own right.

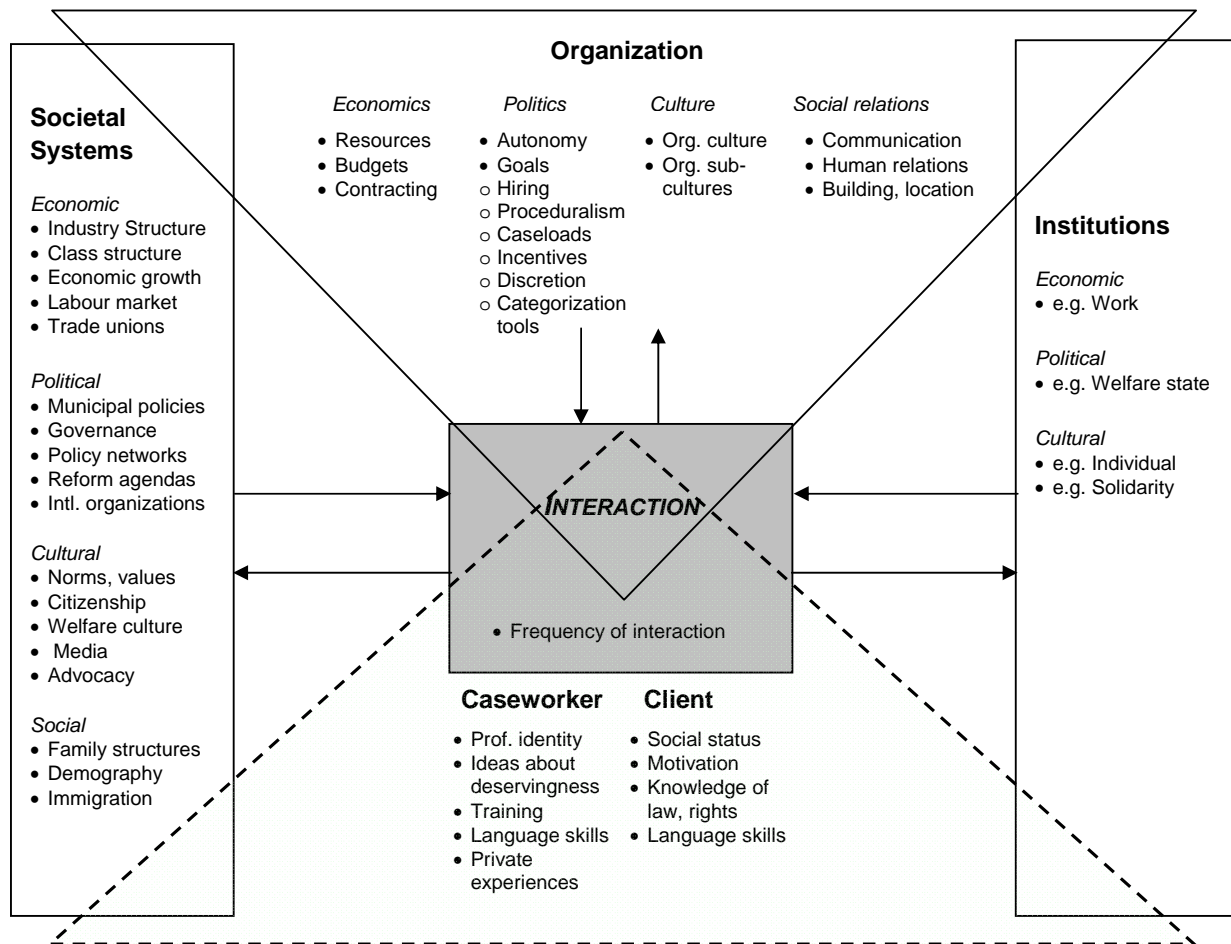


Figure 3. Overview of systems and institutions influencing the caseworker-client interaction.

### Notes

---

The author would like to thank Willem Trommel, Duco Bannink, Bram Verschuere and two anonymous referees for valuable comments on an earlier draft of this paper.

<sup>i</sup> So far, micro-institutionalism has mainly been applied in the area of public goods theory and particularly environmental policy research (cf. Kiser and Ostrom, 1982; Bressers, 2007).

<sup>ii</sup> In Sewell's (1992) terms, institutions could be equated with "rules" or "schemas" whereas systems could be equated with "resources". Together, rules or schemas and resources compose "structure" as juxtaposed with "agency".